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Translation

C O P Y

LAW NO. 41 OF 1944

ON INDIVIDUAL CONTRACT OF SERVICE

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We, Farouk I, King of Egypt.

The following Law has been passed by the Senate and the Chamber of Deputies, and we hereby approve and promulgate it:-

Article 1 - The provisions of this Law apply to contracts of service by virtue of which a worker undertakes, in consideration of fixed remuneration for a specified employment or for a definite or an indefinite period, to work under the direction, authority or supervision of an employer.

The word "worker" includes labourer and employee, male and female.

Article 2 - The following are not considered as "workers" within the meaning of this Law:-

- a) Persons employed in Agriculture including those employed to operate machines other than those operated by hand.
- b) Persons engaged on temporary casual work which, owing to its nature, does not come within the scope of the normal business of the employer and which does not last more than 6 months.
- c) Members of the employer's family whom he is actually supporting.
- d) Persons employed in establishments not using machines which usually employ less than five workers and the capital of which is less than £.300, and workers employed in liberal professions provided the business turnover of their employer does not exceed £.300 per annum.
- e) Marine officers, marine engineers, and sailors.
- f) Permanent Government officials and employees.
- g) Domestic servants and persons of a similar category in respect of whom a separate law will be issued.

Article 3 - The contract may be verbal when the worker's total wages, whether paid daily, weekly or monthly, is less than £.10.- per month in total. The contract should be in writing in all other cases and must be in Arabic for Egyptian workers.

Article 4 - For the purpose of the application of the provisions of this Law, the term "Labour Contractor" applies to any person who undertakes to supply a number of workers to carry out any specific work for the account of an employer irrespective of whether he supervises the work or merely supplies the workers.

Article 5 - Contracts between an Employer and a Labour Contractor must in all cases be made in writing and must specify the nature of the work, the workers' rates of pay, the approximate duration of the work and the guarantees which ensure the payment of wages on the site of work. The difference between the amount of the worker's wages as specified in the contract and the amount actually paid to the worker should not exceed 10%.

Expenses for the transport of workers from their villages to the site of the work shall not be charged to the workers unless they absent themselves from the work without valid reason before the expiry of the period of the contract.

Article 6 - Labour Contractors are not allowed to exercise their business unless they have obtained a permit to do so from the Labour Department.

Such a permit shall be issued in accordance with the conditions and regulations to be laid down by the Minister of Social Affairs; the issue of the permit shall not affect the rights of employers to demand from the Contractors the guarantees they deem proper.

Article 7 - Labour Contractors must provide a "Sarki" (pay sheet), in duplicate, for each worker; one copy of the Sarki will be handed to the worker and the other retained by the Contractor. This "Sarki" is to be made in accordance with the standard form to be drawn up by the Minister of Social Affairs.

The Contractor's liability for the worker's wages shall be discharged only when the latter has signed a receipt for his wages on both copies of the "Sarki".

Article 8 - Should the Labour Contractor fail to pay wages to the workers supplied by him within the periods specified in Article 12 of this Law, the workers will be entitled to claim payment thereof from the Employer provided that the claim is lodged within one month of the date from which the wages became due. Payment by the Employer shall be made on the basis of the rates laid down in the contract concluded between him and the Labour Contractor. Workers will also have the right to demand from the Employer the execution of the terms of the contract made between him and the Labour Contractor as regards accommodation, feeding and return to the locality where the worker was engaged.

Article 9 - Employers and Labour Contractors shall not compel a worker to buy provisions or articles produced by them or from any specified establishment.

Article 10 - Wages and other amounts due to workers by virtue of the contract of service must be paid in legal currency.

Article 11 - Minors can validly receive from the Employer their wages, indemnities and any other amounts which may be due to them under this Law.

Article 12 - Wages shall be paid on a working day and at the place where the worker is employed in the following manner:-

- a) For daily-paid workers, at least once every two weeks.
- b) For other workers, at least once a month.
- c) For piece work which requires a period exceeding two weeks: the workers shall every week receive an advance on account proportionately to the work completed, and shall receive the balance thereof within the week following the delivery of the work.

When the worker's services are terminated, his wages must be paid to him immediately. Should he, however, leave the work of his own accord his wages shall be paid within 7 days from the date of ceasing work.

Article 13 - Should a worker, through his proved recklessness, negligence or carelessness cause the loss, damage or destruction of materials, machinery

machinery or products belonging to or in the custody of the employer, the worker shall bear the cost of repair or replacement.

The employer shall be entitled to withhold the said amount from the worker's wages provided that the amount deducted for this purpose does not exceed the equivalent of five days wages in any one month.

Article 14 - The Employer is not allowed to retain from the wages of a worker more than 10% of his monthly wages in settlement of loans made to the worker by the employer nor is he entitled to charge any interest on such loans.

Article 15 - The first £.3 of a worker's monthly wages or the first £.10 of a worker's daily pay cannot be assigned or attached except for alimony or for amounts due for the price of food and of essential clothing of the worker and those supported by him, and then only to the extent of one quarter.

Wages in excess of the above amount may be assigned or attached for any debt to the extent of one quarter thereof.

The foregoing provision applies to the sums due to workers by virtue of Articles 22, 23, 24, and 32. Deductions made from worker's wages by virtue of this Law shall first be deducted before calculating the amount which may be assigned or attached.

Article 16 - At the request of the worker made within 15 days from the date of the termination of the contract for reasons of ill health specified in Article 24 or for any of the reasons specified in Articles 23 and 31, the Employer shall pay the return fare of the worker to the place where the worker was engaged. In the event of the Employer failing to do so, the competent administrative authorities may repatriate the worker at the expense of either the Employer or the Labour Contractor according to the terms of the contract between them. The expenses incurred by the said authorities is recoverable by administrative seizure.

Article 17 - The Employer shall, at the request of the worker, when the contract is terminated, deliver to him free of charge a certificate setting out the dates of his engagement and discharge and the nature of the work he performed. If required by the worker, the certificate shall also set out the wage, allowances and privileges (if any) of which the worker was in receipt.

The Employer shall also return to the worker all documents or certificates deposited with him by the worker.

Article 18 - The Employer shall not transfew a monthly paid worker to the category of a daily or weekly-paid worker nor from that of a weekly-paid worker to that of a daily-paid worker, without the worker's consent in writing. In the event of such consent being given, the worker will retain all the rights acquired during the period of his employment on monthly pay, by virtue of the provisions laid down in Articles 21, 22, 23, 24, 31, 32, and 37.

Article 19 - An Employer shall not call upon a worker to perform any work not agreed upon or not in accordance with the terms of the contract unless it is necessitated by the exigencies of the moment to prevent an accident or to carry out the necessary repairs resulting from an accident or force majeure, provided always that such changes in the worker's duties shall only be of a temporary nature.

An Employer may, however, assign to the worker work other than that previously agreed upon provided that it does not differ essentially from that for which he was engaged.

Article 20 - A contract for a definite period shall be deemed to be renewed for an indefinite period if both parties thereto continue to execute it after the date of expiry.

Article 21 - Contracts made for an indefinite period may be terminated by either party giving the other party prior notice of termination as specified below:-

- a) 3 days' prior notice for daily-paid workers
- b) 7 days' prior notice for weekly-paid workers
- c) 30 days' prior notice for monthly-paid workers

Article 22 - The party who terminates the contract without giving the requisite notice as laid down in the previous Article shall be liable to pay to the other party compensation equivalent to the amount of wages payable to the worker either for the period of notice or for the unexpired portion thereof.

Such compensation shall be calculated on the basis of the average remuneration received by the worker in basic wages and supplementary remuneration during the preceding three months.

The party who suffers from the unjustifiable termination of the contract may be awarded compensation to be estimated by the Court after investigation of the circumstances of termination and after taking into consideration the nature of the work, the worker's age, length of service and custom.

Article 23 - If the contract is terminated by the Employer, he shall pay to the worker an indemnity in respect of his period of service calculated as follows:-

a) For Daily-Paid, Weekly-Paid and Piece Workers :

For daily and weekly-paid workers ten days' pay per year of service calculated on the basis of the worker's last wages. For piece workers the indemnity shall be calculated on the basis of the worker's average remuneration during the three months preceding the termination. In both cases the maximum indemnity shall not exceed six months' pay.

b) For Monthly-Paid Workers :

One half month's pay per year of service in respect of the first six years and one month's pay per year of service in respect of every additional year of service calculated on the basis of the worker's last salary provided the indemnity shall not exceed nine months' pay. Workers with twenty years service or more shall be granted an indemnity equivalent to one year's pay.

If the capital of the establishment in which the worker is employer does not exceed f.2000, the indemnity shall not exceed three months' wages.

Workers performing intellectual work shall be considered as falling in the category of monthly-paid workers.

Article 24 - The contract shall be terminated by the death of the worker, by his total disability to perform his work or by illness which causes his uninterrupted absence from work for at least sixty days or absence for periods exceeding in all ninety days in one year.

These periods are reduced by half in respect of daily-paid and weekly-paid workers.

The worker's disability or illness shall be certified by a doctor. The Employer, however, has the right to have the worker medically examined by another doctor and in the event of discrepancies between the two medical certificates, either party may refer the case to a Commission of Medical Arbitrators in accordance with the provisions of Articles 22 and 23 of Law No.64 of 1936.

In the event of the termination of the contract for one of the reasons referred to in the first paragraph of this Article, the Employer shall pay the indemnity stipulated in the preceding Article to the worker or to his dependants unless compensation has been paid to them in accordance with Law No.64 of 1936.

The worker's dependants are; his wife, those of his children and parents who are supported by him or, in their absence, persons who were supported by him before his death. In the absence of dependants the indemnity shall be distributed amongst the heirs.

The distribution of the indemnity shall be made amongst the beneficiaries in accordance with the schedule attached to Law No.64 of 1936.

During the period of illness referred to in the first paragraph of this Article, the Employer shall not be entitled to exercise his right to terminate the contract by virtue of Article 21.

Article 25 - The dissolution of an enterprise, its amalgamation with another, its liquidation or bankruptcy, its devolution to another person by inheritance, will, gift, sale or assignment or other method or disposal shall not constitute a bar to the execution of any of the obligations due to the workers by virtue of the provisions of this law.

Article 26 - An Employer employing fifty or more workers must pay down regulations for the organization of work and treatment of workers in his establishment. He must also lay down regulations for disciplinary measures and conditions for the application thereof, which regulations shall only be applicable if the Labour Department raise no objections thereto within forty five days from date of submission.

Article 27 - It is forbidden for an employer to impose on a worker a fine ~~exceeding~~ the equivalent of ten days' wages for a single offence, or to deduct from his wages, in settlement of fines imposed, more than the equivalent of five days' wages in any one month or to suspend a worker for disciplinary reasons for a period exceeding five days in any one month.

A worker shall not be charged with an offence after the lapse of more than fifteen days from the date of commission.

Fines or suspensions may not be inflicted after the lapse of fifteen days from the date on which the offence has been established. Disciplinary measures will be regulated by Ministerial Arrete.

If the worker is accused of a crime or a misdemeanour involving dishonesty or immorality committed during the performance of the work or if accused of a misdemeanour for going on illegitimate strike or inciting others to go on such strike or any misdemeanour connected with public security, the Employer shall have the right to suspend him as from the date of reporting the matter to the competent authorities until a decision is reached by them. If such decision should declare the worker not guilty, the worker shall be reinstated.

Should the accusation made against the worker be the result of the action of his Employer or the latter's representative or with the knowledge of either of them, or should the competent authorities decide not to refer the worker to trial, the latter will be entitled to his wages for the period of suspension.

Article 28 - Fine inflicted on workers must be recorded in a special register showing the reason for the fine, the name of the worker and the amount of his wages. Inspectors of the Labour Department shall have the right to inspect such registers at all times.

Article 29 - The sums deducted as fines from workers' wages shall be set aside by the Employer for the benefit of the workers in accordance with the general regulations to be laid down by the Ministry of Social Affairs.

Article 30 - An Employer may terminate a contract without payment of indemnity or notice in the following cases:

- 1) If the worker has assumed a false identity or submitted false certificates or recommendations.
- 2) If the worker is engaged on probation and fails to give satisfaction to his employer, provided the discharge takes place within three months from the date of engagement in respect of workers performing manual work and within six months in respect of workers performing intellectual work.

If a worker is discharged after the lapse of the above period, the employer will have to prove the existence of a previous written agreement which provided that the worker was engaged on probation for a period which may in no case exceed six months for workers of seventeen years or over.

As regards minors under the age of seventeen, the period of apprenticeship or probation may extend to a maximum of two years. If in the meantime the minor attains the age of seventeen, the provisions of the preceding paragraph will apply provided that the probation period shall not exceed two years.

- 3) If the worker is intentionally guilty of any act or omission calculated to cause material damage to the Employer. This cause, however, cannot be invoked unless it is proved that the Employer has reported the matter to the competent authorities within twenty four hours of the same coming to his knowledge.
- 4) If the worker, in spite of a written warning, fails to observe the written regulations exhibited in a prominent place, the application of which is essential for the safety of the workers and the establishment .
- 5) If the worker absents himself without valid reason for more than fifteen days, or more than seven consecutive days in one year.
- 6) If the worker does not carry out his essential duties under his contract of service.
- 7) If it is proved that the worker has divulged industrial or commercial secrets of the establishment in which he is employed.
- 8) If a worker has been sentenced for a crime or a misdemeanour involving dishonour, dishonesty or immorality.
- 9) If it is proved that the worker has actually committed an act of immorality in the establishment, workshops or offices, or if he is found during working hours in a state of drunkenness or under the influence of drugs.
- 10) If the worker has committed an assault on the employer or the responsible manager or committed a serious assault on any of his superiors during the course of his employment or for reasons connected therewith.

Article 31 - A worker may leave his work before the expiration of the contract or without notice in the following cases:

- 1) If the Employer or his representative has misled the worker as to the conditions of the work at the time of concluding the contract. This cause, however, may not be invoked by the worker after a lapse of thirty days from the date of his commencing work.
- 2) If the Employer has not fulfilled his obligations towards the worker in accordance with the provisions of this law.
- 3) If the Employer, or his representative, has been guilty of an act of immorality towards the worker or a member of his family.
- 4) If the Employer, or his representative, has committed an assault upon the worker.
- 5) If a great danger threatens the safety or health of the worker provided that the Employer shall have had knowledge of the existence of the danger and failed to take the measures prescribed by the competent authorities within the time limit fixed.

Article 32 - If a worker leaves his employment for any of the reasons given in the preceding Article, the Employer must pay him the indemnity laid down in Article 23 of this Law in case the contract was made for an indefinite period. If, however, the contract was made for a definite period, the worker will be entitled to an indemnity equal to that laid down in Article 402 of the National Civil Code and Article 491 of the Mixed Civil Code.

Article 33 - A male worker who is called up for compulsory Military Service or a female worker who leaves her employment on the occasion of her marriage is entitled to the indemnity provided for an Article 23 of this Law.

Article 34 - The Employer shall provide for the benefit of the workers Medical First Aid on the premises.

If the number of workers exceeds one hundred, the Employer shall provide a doctor for their medical attendance and treatment at the place chosen by him for the purpose. He will also supply them free of charge with the medicines required for treatment.

An Employer employing workers in localities outside the inhabited districts shall facilitate the means of their supply with food and suitable lodging.

Article 35 - The Employer shall pay the worker whose illness is ascertained half wages throughout the period of his absence from work provided that the said period shall not exceed thirty days per year.

Article 36 - The Employer shall take the necessary precautions to protect the workers against the risks of work and machinery.

Article 37 - Every worker is entitled to leave on full pay as follows:-

- a) Seven days per year for daily-paid workers unless they are engaged on dangerous or unhealthy work, in which case their leave will be ten days per year. The kind of such work will be defined by an order from the Minister of Social Affairs.
- b) Fifteen days per year for monthly-paid labourers and employees.

Article 38 - Any stipulations in a contract of service which are incompatible with the provisions of this Law, even if concluded before the promulgation hereof, will be considered null and void unless they are more beneficial to the worker and are not contrary to the established practice.

Article 39 - In a firm where a Provident or a Thrift Fund is established for the benefit of the workers, the latter may not claim payment of any indemnity due to them in accordance with Article 23 of this Law if the Employer's contributions to their accounts in the said Fund are equivalent to or in excess of the amount of such indemnity.

If, however, the worker is entitled to a pension for his period of service, he will have the right to opt either for the pension or the indemnity above-mentioned.

Should the worker opt for the indemnity, the Employer shall refund to him all his previous contributions to the Pensions Fund.

Article 40 - Without prejudice to the application to more severe penalties in accordance with the Penal Code, any breach of the provisions of Articles 5, 6, 7, 9, 12, 13, 14, 17, 18, 26, 27, 28, 29, 34, 36 and 37 of this Law or the Ministerial orders relating to the execution of this Law shall be punishable by a fine not exceeding one thousand piastres.

In the case of breach of the provisions of the first paragraph of Article 5 and deduction from the worker's wages of amounts in excess of the limits defined in this Law, the judge will ex-officio order the refund of the amounts so deducted or collected.

The fine shall be applied as often as there are workers involved in the infringement provided that the total fine shall not exceed twenty pounds Egyptian for infringements of the same nature.

Article 41 - Officials delegated by Ministerial Order issued by the Minister of Social Affairs to record infringements against the provisions of this Law and against the orders issued for the execution thereof, shall have the authority of judicial police officers for those purposes.

Article 42 - The Employers and their representatives shall be jointly and civilly responsible for any breach of the provisions of this Law. Assignees to whom operations are assigned, in whole or in part, shall all be jointly responsible with the Employer for the fulfilment of all the charges imposed by the provisions of this Law for the benefit of the worker.

Article 43 - Legal action instituted in respect of the application of the provisions of this Law shall be given urgent consideration and the judge may in all cases order provisional execution.

Article 44 - The Ministers of Social Affairs, Interior and Justice are hereby charged with the execution of this Law which will come into force three months from date of publication in the Official Journal.

We order that this Law be sealed with the Seal of the State, published in the Official Journal and executed as a Law of the State.

Made in Abdine Palace on the 17th Gemad-el-Awal 1363
(10th May 1944).